

WORK INCENTIVES/DISINCENTIVES FOR AGING BOOMERS AND THEIR EMPLOYERS

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A major change is on the move for Seniors in the work place. In 1983, I visited Walt Disney World in Orlando, nearly all the employees in the park were high school or college students. In a recent visit to Walt Disney World in June, I noticed a large portion, maybe 35-40%, of the employees were made up of Seniors. I talked to several of them while I was there and was told the same by all. That it was a good place to work with good benefits and salaries. When I asked why Disney hired so many Seniors now the answer was the same "Dependability". You can count on them to show up for work.

Businesses across America are realizing that Seniors have a lot to offer. They are reliable and loyal workers. Many of the Boomers want to continue working and staying active long after they have reached retirement age. The vision for an aging population is that older workers are able to enjoy "workforce participation without age-based barriers or -biases."

KEY TRENDS

The Bureau of Labor Statistics projects that total labor force growth will slow from an average annual rate of 1.1 percent between 1990 and 2000 to an annual rate of 0.7 percent between 2000 and 2005. The projected decline in labor force growth could create shortages in skilled workers and managerial occupations, with adverse effects on productivity and economic growth. Occupations most affected are educational services, health services, public administration, and some manufacturing. Within the current decade, the U.S. Bureau of Labor Statistics projects a shortfall of 10 million workers in the United States. Some economists predict that by 2030, the United States could experience a labor shortage of 35 million workers.

As the labor shortage approaches, one option is to encourage people to work beyond traditional retirement ages. Given that labor force growth is slowing and Americans are enjoying longer and healthier lives, efforts to encourage people to work longer could have important benefits both for individuals and for the national economy. According to the National Older Worker Career Center, the United States can either accept lower economic growth and higher taxes to support its aging population, lower benefits for older Americans, or encourage more of this population to remain in the workforce. Perceptions of older workers can impede their employment. Employer attitudes and an individual's sense of self-efficacy affect whether older people will continue working. Subtle forms of age discrimination have a powerful effect on cutting short the productive years of older adults. Negative work climates that devalue older employees often prompt older workers to lose self-confidence and retire before they are ready. Myths about older

workers – low productivity, absenteeism, and a greater likelihood of accidents – damage their employability.

Trends in key retirement income sources, such as Social Security and employer-sponsored pensions, suggest that many older Americans will not be able to retire at traditional ages and maintain their pre-retirement standard of living. For these and other reasons, working longer is an increasingly attractive alternative as the population ages.

At the national level, the trend toward earlier retirement came to a halt in the mid-1980's. Since then, labor force participation rates for persons aged 55 and older have increased. The number of older workers is projected to grow substantially over the next two decades, and become an increasingly significant proportion of all workers. Specifically, 30 percent of all persons over age 55 participated in the national labor force in 2000 and this percentage is expected to rise to 37 percent by 2015. Older workers will comprise nearly 20 percent of the total labor force by 2015.

The Aging Texas Well Indicators Survey found that 21.5% of Texans age 60 and older are employed either full or part time. Of the respondents who are not working, 10.4% said they are currently looking or plan to look for a job in the future. The AARP 2002 Work and Career Study, based on a national survey of workers 44 to 74, found that an even greater percentage (69 percent) of respondents plan to work in some capacity during their retirement years. There are various reasons why older people choose to continue working. More than one-third (38.9%) reported that the major factor in their decision to work or look for work was that they need the money. One-quarter (24.7%) of respondents reported that the major factor in their decision was enjoying the work.

RECENT STATEWIDE EFFORTS TO ADDRESS OLDER WORKER ISSUES

The Texas Department on Aging (TDoA) -- now part of the Texas Department of Aging and Disability Services (DADS) -- has helped to help ensure that older Texans have the opportunity to secure employment and education. Recent steps include:

- The Texas Workforce Investment Council (TWIC) invited TDoA to serve on the Workforce Investment Act of 1998 Partners group and participate in TWIC's system strategic planning processes.
- The TWIC Executive Director provides guidance on aging policy and research activities through participation on DAD's Aging Resource Group.
- TDoA developed a partnership with the Texas Workforce Commission (TWC) to identify ways to collaborate on projects related to older workers. Partnership development activities have included meetings with TWC's Executive Director and the Commissioner Representing Employers to educate the workforce system about the aging network and to discuss issues and initiatives related to older workers.

- TDoA and TWC research staff have met to identify opportunities to share data and collaborate on research projects.
- To establish a relationship with Local Workforce Development Boards (LWDBs) and obtain input on future efforts related to older workers, TDoA participated in a bi-weekly LWDB conference call hosted by TWC.
- TDoA surveyed the area agencies on aging (AAA) to obtain information about their involvement with the workforce system. TDoA will use the information gathered to further develop effective working relationships between AAAs and LWDBs.
- TWC invited TDoA to arrange and facilitate a break-out session on older workers at the 7th Annual Texas Workforce Conference. The session, entitled “Charting Future Direction: Employing Older Workers in a Changing Economy,” provided an opportunity for conference participants to share ideas and exchange perspectives on how to build successful strategies for employing older workers. Participants learned about best practices from Texas employers, LWDBs, and AAAs.
- Staff from DADS wrote an article on the future importance of older workers for Texas Business Today, which is published by the TWC (commission representing employees).

CONCLUSION

Texas employers that prosper in the coming decades will adopt HR strategies to recruit, train and retain an older workforce. Texas employers will need to:

- Understand the benefits of hiring, training and retaining older workers.
- Realize that nontraditional employment -- independent contractors, on-call workers, and outsourced employees -- and use of compressed work weeks, job sharing, flex-time and telecommuting will help tap into the older workforce.
- Design benefit plans that encourage continued employment of older workers.
- Create supportive environments that foster positive attitudes towards and implements policies to assist family caregivers.
- Yes a major change is on the move. It is now time for aging boomers and employers to prepare for and embrace the change